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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of Washington by:

WILD ON WIRELESS, INC; RANDAL BLUE;
their agents and employees,

Respondents.

SDO - 25 - 02

STATEMENT OF CHARGES AND NOTICE OF
INTENTION TO ENTER ORDER TO CEASE
AND DESIST, NOTICE OF INTENT TO
REVOKE EXEMPTIONS, AND NOTICE OF
INTENT TO IMPOSE FINES AND ORDER
AFFIRMATIVE RELIEF

Case No. 01-06-219

THE STATE OF WASHINGTON TO:

Randal Blue
Wild on Wireless, Inc.

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Wild on Wireless, Inc. and Randal Blue have violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator to cease and desist from such violations, ordering restitution, imposing fines, and withdrawing the availability of exemptions pursuant to RCW 21.20.390, RCW 21.20.395, and RCW 21.20.325. The Securities Administrator finds as follows:

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TENTATIVE FINDINGS OF FACT

I. Respondents

1. **WILD ON WIRELESS** (“WOW”) is a Nevada corporation with a last known business address of 22539 Amick Rd., Mount Vernon, Washington.

2. **RANDAL BLUE** (“Blue”) was the President of WOW at all times relevant to matters set forth herein.

II. Nature of the Offering

3. On May 22, 2000, the Securities Division received a Form D, Notice of Sale of Securities Pursuant to Regulation D, Section 4 (6), and/or Uniform Limited Offering Exemption (“Form D”) filed by WOW and Blue. The Form D indicated that WOW planned to conduct an offering of common stock pursuant to Rule 504 of the Securities Act of 1933, RCW 21.20.320(9), and WAC 460-44A-504. After requesting and receiving further information regarding the offering, the Securities Division issued an exemption acknowledgement letter date June 30, 2000 indicating that offer and/or sales could commence on that date.

4. From approximately March of 2000 to December of 2000, WOW and Blue (collectively referred to herein as “Respondents”) induced at least nineteen persons, including sixteen Washington residents, to invest in \$107,000 in WOW.

5. Approximately seventeen of the nineteen investors signed subscription agreements with WOW. Pursuant to the terms of their respective agreements, these investors were given shares of the common stock of WOW for \$1.00 per share.

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1 6. At least two of the nineteen investors did not sign subscription agreements, and were instead issued
2 what Blue characterized as subordinated debentures. These two investors signed agreements with WOW on March 1,
3 2001. Pursuant to the terms of the agreements, investors were promised the repayment of their principal by March 1,
4 2002, with interest payments at a rate of 2% per calendar month on the unpaid balance. The terms of the agreements
5 also provided that the holder could at his or her discretion convert the debt to shares of WOW's common stock on
6 March 1, 2002.

7 7. Prior to their signing the agreements described in paragraph six, Blue represented to the two investors
8 that WOW had obtained a commitment for five million dollars in financing from the investment banking firm
9 Chapman, Spira and Carlson, L.L.C. ("Chapman") of New York, New York. This representation was pivotal to the
10 decision made by both investors to invest in WOW. In fact, WOW had entered into discussions regarding Chapman
11 performing certain services for WOW in regard to investment financing, but at no time had Chapman agreed to
12 provide five million dollars in financing to WOW. Blue also represented to these two investors that four WOW retail
13 stores were open and operating in Washington. In fact, three of the four stores had ceased operations by March of
14 2001.

15 8. Blue provided investors with a business plan of WOW. The business plan included projected
16 financial information pertaining to future revenues to be earned by the company, such as projected revenues of
17 over thirty million dollars in 2004. Respondents failed to disclose the basis and assumptions for these financial
18 projections. The business plan states that the company has been profitable since its inception, that the company
19 will become a publicly traded company and will be listed on NASDAQ within the next two years, and that the
20 company's present value is \$7,000,000. Respondents failed to provide investors with a reasonable basis for these
21 statements.

9. Respondents failed to provide investors with material information regarding WOW during the investment offering, including but limited to: (1) detailed information regarding the use of investor proceeds; (2) full disclosure of the risks of the investment; (3) complete information about Blue's background and management experience, including the fact that he had filed for bankruptcy in 1991, that was discharged the same year; and (4) the financial condition and financial statements of WOW.

III. Registration Status

10. The securities issued by WOW are not currently registered for offer or sale in the state of Washington and have not previously been so registered. Notwithstanding the filing of the Form D, WOW and Blue failed to comply with the conditions of WAC 460-44A-503, including but not limited to the requirement that the issuer file a notice of its proposed offering no later than ten business days prior to receipt of consideration or the delivery of a signed subscription agreement. WOW and Blue made approximately twelve sales of stock to Washington investors prior to the Securities Division's receipt of the Form D on May 22, 2000.

11. WOW and Blue are not currently registered as securities salespersons or broker-dealers in the state of Washington. Blue was registered in the state of Washington as a securities salesperson from June 1986 to December 1994.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and/or sale of debentures and stock as described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

2. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as specifically set forth in the Tentative Findings of Fact, Respondents made untrue statements of material fact and/or

STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO REVOKE EXEMPTIONS, AND NOTICE OF INTENT TO IMPOSE FINES AND ORDER AFFIRMATIVE RELIEF

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omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

3. The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such offer and/or sale is on file with the Securities Administrator of the state of Washington.

4. Respondents have violated RCW 21.20.040 by offering said securities while not being registered as broker-dealers or securities salespersons in the state of Washington.

NOTICE OF INTENTION TO ORDER RESPONDENTS TO CEASE AND DESIST

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Respondents Wild on Wireless, Inc., Randal Blue, their agents and employees, each permanently cease and desist from violations of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040.

NOTICE OF INTENT TO REVOKE EXEMPTIONS

Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the availability of exemptions from registration contained in RCW 21.20.320(1), (9), (11), and (17) be withdrawn from Respondents Wild on Wireless, Inc. and Randal Blue.

NOTICE OF INTENT TO IMPOSE FINES

Based upon the offers and sales of unregistered securities to Washington residents, the misrepresentations and/or omissions contained in those offers and sales, and upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that one or more knowing or reckless violations of the Securities Act have occurred such that the imposition of fines is appropriate pursuant to RCW 21.20.395. Therefore, the Securities

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1 Administrator intends to order that Respondents Wild on Wireless, Inc. and Randal Blue shall be jointly and severally
2 liable for and pay a fine in an amount not to exceed \$95,000.

3 4 **NOTICE OF INTENT TO ORDER AFFIRMATIVE RELIEF**

5 Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of
6 Law, the Securities Administrator intends to order that Respondents shall be jointly and severally liable for and
7 shall provide appropriate affirmative relief, including, without limitation, a requirement to provide full restitution
8 to all investors.

9 10 **AUTHORITY AND PROCEDURE**

11 This Order is entered pursuant to the provisions of RCW 21.20.325, RCW 21.20.390 and RCW 21.20.395
12 and is subject to the provisions of Chapter 34.05 RCW. Each of the Respondents may make a written request for a
13 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
14 accompanying this Order.

15 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the foregoing
16 Tentative Findings of Fact and Conclusions of Law as final, and enter a permanent cease and desist order against
17 that Respondent withdrawing the exemptions described above, and imposing the restitution and fines described
18 above.

19 20 **CONTINUING INVESTIGATION**

21 The Securities Division is continuing to investigate the practices of the Respondents to determine the full extent
22 of the violations of the Securities Act that have occurred in this matter.

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2 DATED this 28th day of March, 2002.
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7 DEBORAH R. BORTNER
8 Securities Administrator

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10 Approved by:

Presented by:

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12 _____
13 Michael E. Stevenson
14 Chief of Enforcement

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17 Chad Standifer
18 Staff Attorney

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